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TO: The Board of Directors and Management of Missouri state-chartered credit unions

SUBJECT: Guidelines for Credit Union Mergers

1. Preparation of a request for proposal of merger (RFP) by the merging credit union.
 - Preparation of the RFP should include the Board of Directors of the merging credit union consideration and accomplishing the following:
 - Document all relative information concerning all decisions made during the merger process
 - Decide why merger is the best alternative for the members. All alternatives should be considered such as the credit union's total operating environment, commitment of the board and management to the final decision, should/can the credit union continue to increase member service and grow independently without being merged.
 - Review and compare savings/loan rates, services offered/fees charged location of branches/ATMs, other relevant factors particular to the members and continuation of favorable conditions once merger has occurred.
2. Submission of the RFP to all credit unions in geographic region or a combination of regions if the field of membership is regional or disbursed throughout the state.
3. Receipt and analysis of response to RFP considering "what is best" for the members of the merging credit union. Results of process and explanation of process used to reduce all respondents to 3 or less merger candidates. Conduct interviews/meetings to reduce list to one candidate (merger partner).
4. Preparation of a plan of merger agreement including as a minimum the following details:
 - ✓ Disclosure of any and all contracts, employment agreements including benefit (health, retirement, disability, and life insurance) agreements and deferred compensation as part of the merger.
 - ✓ Latest separate and combined financial statements.
 - ✓ Due diligence on part of management of both credit unions.
 - ✓ Request waiver of membership approval (vote) by Director, Division of Credit Unions from merging credit union if applicable. Applicability to be determined if conditions in RSMo 370.353(3) are present. As a general rule, the members should be given the opportunity to vote on the final merger proposal.
5. Approval of the plan of merger agreement by the board of directors of both credit unions.
6. Vote on the plan of merger agreement by members of the merging credit union unless waived by the director of credit unions.
7. Approval of the plan of merger agreement by the Director, Division of Credit Unions.
8. Receipt and acceptance by the Director, Division of Credit Unions of the plan of merger agreement and combined financial statements. Approval of plan of merger by the National Credit Union Administration, administrator of the National Credit Union Share Insurance Fund (NCUSIF).
9. Physical combination of the assets of the two credit unions.
10. Issuance of the Certificate of Merger by the Director, Division of Credit Unions.